Office of Qualifications and Examinations Regulation (Ofqual)

Annual Report and Accounts 2013−14

July 2014

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Office of Qualifications and Examinations Regulation

(Ofqual)

Annual Report and Accounts 2013−14

(For the year ended 31st March 2014)

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Chair's introduction

I am pleased to present Ofqual's fourth Annual Report and Accounts. It details our aims, activities and performance, and the expenditure incurred in the year ending 31st March 2014.

As the qualifications and assessments regulator in England, we are well aware of the vital role that qualifications play in both general and vocational education. At the same time we understand that qualifications are the mirror of education, not the education itself, and must help rather than hinder that education.

As we continue to mature as a regulator, we are refining and developing our regulatory approach to ensure that we focus on those aspects of the qualification system where the risks are greatest, and that we improve the quality of qualifications where they need to improve. In the context of the major reform programmes currently under way in both general and vocational qualifications, this clarity of focus is helping us to set clear priorities and to manage limited resources effectively.

Overall, I believe this report reflects the quality and value for money we deliver. I thank our staff for their determined efforts and endeavours over the year, and thank also the many people elsewhere with whom we work.

Amanda Spielman
Chair of Ofqual
June 2014

Strategic report

Who we are and what we do

Government decides the curriculum to be taught in maintained schools in England, the qualifications that can be offered, and the accountability framework by which schools are evaluated. It also determines the vocational qualifications that can be taught in schools and colleges and used in apprenticeships.

Ofqual is the national regulator of qualifications and assessments. Our job is to make sure that qualifications are of the right standard and that the qualification system works well so that those who take or rely on qualifications can have confidence in them. Regulation is voluntary, and virtually all qualifications that are publicly funded are regulated. We currently regulate almost 170 awarding organisations who together produce many thousands of qualifications. We list all recognised awarding organisations and the regulated qualifications they offer in a Register of Regulated Qualifications.[1]

The UK Parliament has determined that we shall be independent: we are constituted as a non-ministerial government department, independent of ministers. We report directly to Parliament, usually through the Education Select Committee.

We keep under review statutory (National Curriculum and Early Years) assessments in England, but most of our resources are dedicated to our main role, regulating academic and vocational qualifications in England and vocational qualifications in Northern Ireland. We work alongside qualifications regulators in other parts of the UK, as many of the qualifications we regulate are studied across the UK. We do not regulate the provision of foundation degrees, first degrees or degrees at a higher level.

Ofqual statutory objectives and strategic aims

The Apprenticeships, Skills, Children and Learning Act 2009 (as amended by the Education Act 2011) sets out five objectives for Ofqual:

The qualifications standards objective:

To secure that regulated qualifications give a reliable indication of knowledge, skills and understanding, and indicate a consistent level of attainment (including over time) between comparable regulated qualifications; and a consistent level of attainment (but not over time) between regulated qualifications and comparable qualifications (including those awarded outside the United Kingdom) which are not qualifications regulated by Ofqual.

[1] http://register.ofqual.gov.uk

The assessments standards objective:

To promote the development and implementation of regulated assessment arrangements which give a reliable indication of achievement, and indicate a consistent level of attainment (including over time) between comparable assessments.

The public confidence objective:

To promote public confidence in regulated qualifications and regulated assessment arrangements.

The awareness objective:

To promote awareness and understanding of the range of regulated qualifications available, the benefits of regulated qualifications to learners, employers and institutions within the higher education sector, and the benefits of recognition under section 132 of the ASCL Act to bodies awarding or authenticating qualifications.

The efficiency objective:

To seek to ensure that regulated qualifications are provided efficiently and, in particular, that any qualification costs payable to an awarding body we regulate represent value for money.

We also have a range of statutory duties (see Apprenticeships, Skills, Children and Learning Act 2009 Part 7).[2] Together, our statutory objectives and duties require us to maintain the currency and worth of regulated qualifications, and they shape our strategic aims. Our aims are to secure (and where necessary reset) the standards of qualifications and assessments so as to promote confidence in them, and to secure a healthy, robust and efficient qualifications system. To achieve these aims, we also aim to continue to build our capability and capacity to deliver.

[2] www.legislation.gov.uk/ukpga/2009/22/contents

Our work in 2013–14

We identified three priorities in our Corporate Plan for this period.[3] Firstly, the reform of GCSEs, AS and A levels; secondly, maintaining and improving the standards of all qualifications and lastly, becoming a stronger and more effective regulator.

Qualifications reform

Last year, the Westminster Government announced its intention to reform and redevelop GCSEs, AS and A levels. This year it set out its curriculum requirements for GCSEs in national curriculum subjects, and following our advice, agreed that the first tranche of GCSE reform should focus on three key subjects − English literature, English language and maths − with the aim that they should be ready for first teaching in September 2015. A larger range of GCSE subjects are being reformed for first teaching in September 2016, with the remaining subjects to be reformed for first teaching in September 2017.

GCSE reform

We accepted the curriculum content in the first tranche subjects from Government, and set about the reform of the design features of GCSEs that fall to us as regulator: modularisation, tiering,[4] assessment and reporting results (grading).

Working with subject and assessment experts we developed and tested our thinking on these matters for GCSEs (and also AS and A levels), and consulted the public on our proposals during the course of the year. Following consultation we determined that new GCSEs will no longer be modular, and that they will have a new and slightly more granular grading scale, to allow for greater differentiation and stretch. These principles apply to all new GCSEs.

Following consultation we also determined that GCSE subjects will only be tiered when necessary because of the nature of the subject or cohort, and that students will generally be assessed by exam (with non-exam assessment only for those aspects of the syllabus not assessable by exam). We have considered these principles subject by subject, developed our proposal for their detailed application subject by subject, and consulted on those proposals. In future, very few subjects will be tiered, and the balance of exam and non-exam assessment will be different, subject by subject, as it should be.

New GCSEs are expected to be more demanding, and having determined their key design features, we went on to consider how standards should be set for the new

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[3] www.ofqual.gov.uk/documents/corporate-plan

[4] http://comment.ofqual.gov.uk/gcse-reform-june-2013/2-key-design-features-tiering/tiering-in-current-gcses

qualifications. We ended the business year poised to commence a public consultation on our proposals for GCSE standard-setting in future. We will propose a link across to standards in those countries that compete alongside England, and we believe this to be ground-breaking. We know of no other country willing to link or reference standards across borders in this way.

AS and A level reform

AS and A level reform has continued alongside GCSE reform. Government made arrangements this year for the review of A level content in many of the mainstream subjects. We provided technical advice and expertise to support the reviews, and accepted from Government the revised content in those subjects. We applied similar considerations to the reform of AS and A levels as with GCSEs, and determined (following public consultation) that AS and A levels will no longer be modular and that an appropriate balance should be struck between exam and non-exam assessment, in the light of the subject content in each subject. Unlike GCSEs, standards at AS and A level are to be set broadly as now, and we saw no reason to propose a change in the grading scale.

Delivering reformed qualifications

Decisions about the way key qualifications are designed, and students' results reported, are of deep interest to many, in particular those involved in education and those passionate about particular subjects. We have taken care over the year to involve and consult interested parties as we have considered how best to design GCSEs, AS and A levels.

Some of our decisions have been contentious, as we expected − for example, our decision to implement new assessment arrangements for practical skills in A level biology, physics and chemistry. For all subjects we have considered carefully the assessment and awarding arrangements most likely to deliver the best educational outcomes for students. In subjects assessed in part by non-exam assessment we have considered in detail the nature of the assessment tasks, and the appropriate controls that exam boards must put in place to promote validity, whilst always keeping in mind that assessment must be manageable for schools.

Over the course of the year we have kept the timetable for the first and subsequent phases under review, advising Government periodically of any need for change. To drive the delivery, quality and validity of the new qualifications, we have overseen and led work with exam boards to consider and agree the detailed requirements, providing clarity and certainty as to what is required. We have taken the opportunity to strengthen how we regulate as we have done so.

Reform is very much on track, and we ended the year poised to receive specifications from each of the exam boards in first tranche GCSE subjects, and in the following first tranche AS and A level subjects: English language, English literature, English language and literature, biology, chemistry, physics, psychology, computer science, business, history, economics, sociology and art & design.

Vocational qualifications

GCSE, AS and A levels aside, we have considered carefully during the year how to improve the quality of vocational qualifications where it is necessary to do so. We have determined ways in which we can regulate more strongly those awarding bodies delivering vocational qualifications, and as Government policy has developed over the year, we have determined how best to put those policy aims into effect. We are reshaping our organisation in order to devote sufficient and dedicated resources to the important task of reforming vocational qualifications.

During the year we undertook a review of the design rules that apply to the majority of vocational qualifications, set out in the Qualifications and Credit Framework. We found that they do not always deliver their intended benefits, and have resulted in some cases in poor rather than good quality qualifications. Having spoken with fellow regulators in Wales and Northern Ireland and other stakeholders, as the year ends we are poised to consult on significant changes to the Framework and to the way we regulate vocational qualifications. Our proposals are designed to implement the Westminster Government's emerging policy aims for vocational qualifications, and to drive improvement and a new focus on quality and validity. Should our proposals go ahead, we will regulate both vocational and general qualifications in similar ways, to ensure quality and validity in all regulated qualifications.

Improving standards

In our Corporate Plan we emphasised three aspects of standards: content standards (what the student is to learn); assessment standards (how assessments are designed and delivered); and performance standards (the standard of candidate achievement, or results). During the year we have taken steps in all three areas.

Content standards

As the Government introduced a new Key Stage 4 curriculum in England and hosted consultations on A level content in some subjects, we evaluated for each subject the extent to which the proposed curriculum and proposed content provides sufficient depth and breadth and a coherent programme of study, and the extent to which it can be assessed in valid and reliable ways, so as to ensure the content standards of the qualifications. We have advised Government where necessary of perceived difficulties, and ensured that they were resolved before accepting the proposed content in each subject.

As Government does not wish to determine the content for most GCSE subjects, or prescribe which subjects exam boards can offer, we have considered what would be the most suitable arrangements to determine which subjects should remain and how subject content in those subjects could be reviewed. We end the year with plans to consult the public on these matters.

Assessment standards

Much of our work on standards this year has been in relation to assessment standards, with a focus on the assessment standards required for reformed GCSE, AS and A levels. So for example, in each qualification and each subject we have agreed with subject experts and exam boards more precise assessment objectives for the qualifications, so that exam boards adopt a common and commonly understood approach to the design of the qualification. We have required exam boards to submit to us their assessment strategies for each subject and qualification, and agreed a range of common standards that all exam boards must meet in the design of their assessments. Lastly, we have reviewed and increased our cadre of subject experts and strengthened substantially our accreditation process, to make sure that we are ready to review thoroughly all proposed specifications before allowing them to go ahead.

Marking quality is integral to the quality and validity of qualifications, and this year we undertook a full review of the quality of marking of GCSEs, AS, A levels and similar qualifications. We found marking to be of an acceptable quality overall, but there are ways in which it can be improved. We are now implementing or else overseeing the implementation of our recommendations to improve marking quality.

Performance standards

The third aspect of standards is performance standards – the standards required for a student to achieve any particular grade. As GCSE, AS and A level qualifications are awarded each year, we oversee awarding so as to maintain performance standards. Our work began as usual in the autumn, meeting with exam boards to ensure that common and appropriate approaches to awarding were planned. As the year progressed we tracked closely those matters likely to affect the profile of results for the year, and worked with exam boards to collate and evaluate the detailed data and information prior to awarding. We produced timely information to inform teachers, students, parents and the general public of the ways in which both national and local results might appear different from results the previous year.

Results appeared different for a number of reasons. More students took International General Certificate of Secondary Education (IGCSE) qualifications and/or took more than one qualification in particular subjects, and there were also changes at subject level in some GCSEs. Standards in GCSE biology, physics and chemistry had not been of sufficient demand, and we required new performance standards to be set. We had also introduced particular controls for GCSE English qualifications to promote fair outcomes. We monitored the implementation of these changes to ensure comparability between exam boards as standards were set. As more students sat IGCSEs in English and maths than ever before, we took a particular interest in standard setting for those subjects by the most popular provider, Cambridge International Examinations (CIE).

Individual subjects

Whilst much of our work on performance standards is focused on comparability as between exam boards, and comparability year on year, we have turned our attention this year to comparability between subjects. Clearly, as GCSE, AS and A levels are being reformed, we can deliver the best gains by focusing on subject comparability for those new qualifications rather than concentrating on current specifications and assessments, but we have considered a longstanding concern and view that it is particularly difficult for students to attain top grades in modern foreign languages A levels, when compared with other subjects. As the year ends, and following research and analysis, we have found this concern justified, and will now regulate to address the problem.

National assessments

We have a role to monitor and report on the standards of Statutory National Curriculum assessments. These assessments are undergoing substantial change. We reported this year on the implementation of these changes, concluding that the Standards and Testing Agency had successfully implemented a number of changes to assessment arrangements during 2011–12. We made some recommendations for further improvement.

A stronger and more effective regulator

Last year, the Select Committee for Education reported on the administration of exams for 15- to 19-year-olds in England. We welcomed the Committee's recognition of our work so far, and their support that we needed to become a stronger and more challenging and effective regulator.

We have continued to scrutinise applications for our recognition from potential awarding organisations, recognising only those that demonstrate unequivocally that they are able to comply on an ongoing basis with our regulatory requirements. In addition, and recognising that exam boards (those awarding organisations delivering GCSEs and A levels) face new challenges as qualifications are reformed, we required all those wishing to offer new GCSEs to apply for re-recognition. We evaluated specifically their ability to deliver and award valid new qualifications with first awards in summer 2017. We recognised four exam boards: AQA, OCR, Pearson and WJEC, and imposed specific conditions on each, tailored to each.

We increased our control of awarding organisation compliance, and the extent to which recognised awarding organisations continue to comply with our regulatory requirements. We undertook a comprehensive programme of compliance visits and desk-based monitoring of all awarding organisations to establish a strong and current baseline assessment. We also developed our ongoing monitoring arrangements, introducing more intense monitoring of those awarding organisations with the highest profile and largest share of the market, and undertaking thematic reviews across awarding organisations.

Our baseline assessment and strengthened monitoring arrangements together resulted in improvement plans agreed with 51 awarding organisations (almost a third of all recognised awarding organisations) to deal with relatively minor non-compliance issues, and seven Directions and also seven Undertakings to address major issues of non-compliance. Common issues included dealing with the accuracy of centre-submitted marks; the quality of marking; equalities and access arrangements, and the management of security breaches.

We took more formal enforcement this year in 12 cases. We imposed a range of sanctions including (for the first time) the withdrawal of recognition from two awarding organisations, preventing them from offering regulated qualifications.

Alongside our work to ensure compliance and deal with non-compliance, we have developed our regulatory approach so as to regulate as intelligently and effectively as possible. We focus increasingly on the validity of qualifications, and on those system-wide issues that can have an adverse impact on validity and/or public confidence. This year we have taken a firm but proportionate stance on exam board seminars for teachers; we have reviewed the quality of marking in key qualifications and set out steps for improvement for all exam boards; we have developed our approach to exam board endorsement of support materials provided by others; begun work on inter-subject comparability; developed our approach to malpractice and established methods to inform those in schools and others, ahead of awarding, of the issues likely to affect the pattern of GCSE, AS and A level results for the summer ahead.

Capability and capacity

We have worked throughout the year to become a more effective and resilient organisation. We have grown our staff numbers to reflect the additional work needed to support qualifications reform, and have, as advised by the Education Select Committee, made new appointments to strengthen our assessment and other technical expertise. Our Standards Advisory Group is now well established and provides us with additional and extremely valuable specialist expert advice, and during the year we established a Vocational Advisory Group to mirror its work, but in relation to vocational qualifications.

We have become more capable during the year: we have developed our programme and project management skills and applied them effectively to oversee qualifications reform; we have further developed and strengthened both our foresight and our oversight of summer awarding; we have regulated firmly, and developed our approach to regulating both general and vocational qualifications and we have been able to tackle some common concerns in the qualifications system – for example, the quality of marking and the effectiveness of the Qualifications and Credit Framework.

Future priorities: plans for 2014–15

The reform of GCSEs, AS and A levels will remain a priority, with the final subjects due for first teaching in 2017. We will determine during the year ahead the detail of how standards will be set for new GCSEs, with first-tranche subjects due to be first awarded in 2017.

Overseeing awarding of GCSEs, AS and A levels will always be a priority, year on year. We will maintain our keen interest and oversight of performance standards in these qualifications, and will continue to stimulate discussion and look for ways in which awarding can be yet further improved. We are developing arrangements for a national reference test to be taken by a sample of GCSE English and maths students each year to aid awarding, and will be running the relevant tendering exercise for its detailed design and delivery during the year ahead.

We will continue to regulate in earnest so as to root out non-compliance, and we will continue to develop and strengthen our regulatory approach, to ensure over time the quality and validity of all regulated qualifications.

We will give priority in the year ahead to our regulatory oversight of those awarding organisations providing Applied General and Technical qualifications – as they are publicly funded, taken by large numbers of students in full-time education and subject to new requirements imposed by Government – to drive improvement.

We will continue to advise Government on how its policy aims for general and vocational qualifications are best met. Finally, we will continue to build our capability, and our capacity in line with our available resources. We will further improve our expertise, leadership and staff development, and our associated processes and systems.

Risk management

We face a range of strategic, operational, financial and external risks. The principal risks are captured on our risk register and action is taken wherever possible to mitigate these risks. These risks are summarised in the Governance Statement.

Our risk management strategy involves all our members of staff and our Board. The Governance Statement demonstrates our capacity to handle these risks.

Financial review

The resource budget for the year was £18.554 million (£18.058 million in 2012–13) and our net operating costs were £18.336 million (£16.749 million in 2012–13). Staff costs account for 70 per cent of this and these are higher this year as staff numbers have increased in line with our expanding remit. We continue to employ agency staff where we are unable to meet demand internally and where there is an urgent operational need to do so. Agency staff accounted for 20 per cent of our staffing costs during the year (23 per cent in 2012–13). We will continue working to reduce our reliance on temporary staff.

Social community and human rights

On 31st March 2014, we directly employed 191 staff. The gender breakdown of the staff was as follows:

	Female	Male
Senior civil servants	3	5
Delegated grades	120	63

We undertake an annual staff survey as part of our commitment to continuously improve the way we manage and develop our people. The purpose of the survey is to seek views about working for us, identify levels of staff engagement and to provide us with a way to benchmark our performance

Glenys Stacey
Accounting Officer for Ofqual
Date: 27th June 2014

Other information

Complaints about Ofqual

We received two complaints about Ofqual in the last business year. One was made by an awarding organisation and concerned how we communicated regulatory changes to GCSE English/English language. The other was about how long we took to respond to a complaint about special consideration and access arrangements. We dealt with the former complaint through our usual regulatory channels. The latter complaint was upheld and we apologised for the delay in responding.

We also closed a further complaint in September 2013, which we originally received in December 2012. This related to how we consulted about the removal of the January AS/A level exam series. We partially upheld the complaint and apologised for how we had investigated the matter. We have since made improvements to how we handle complaints like this.

Complaints to the Parliamentary Ombudsman

Two complaints were accepted by the Parliamentary Ombudsman (PHSO) in 2013–14. One of these, relating to the scope of our exam procedures review service (EPRS) and which qualifications it covers, is still being investigated by the PHSO. PSHO is still considering whether it will investigate the second complaint, from a complainant unhappy that we did not uphold her complaint about her grievances with a school.

In addition to these two cases, the PHSO partially upheld a case that was originally referred to them in 2012–13. We acknowledged that we made some administrative errors in handling this complaint and that the investigation took too long. We made a number of changes to improve our processes to avoid any repetition of the event.

Whistleblowing disclosures

During the year we did not receive notice of any whistleblowing disclosures about Ofqual.

Customer Services

We aim to acknowledge complaints within two working days and provide a final response within 30 working days.

During 2013–14, we acknowledged all complaints within two working days and provided a final response within 30 days in 77 per cent of cases (84 per cent of cases in 2012–13). The complaints that took longer than 30 days to respond to required more extensive investigation. Where this was the case, we kept the complainant informed of progress before reaching our conclusions.

Overall we had 442 cases , which cover complaints and whistleblowing disclosures about awarding organisations, complaints about Ofqual, executive correspondence . Nine complaints about awarding organisations were upheld and six were partially upheld. We carried out internal reviews on six cases. These related to the way we investigated the original complaint. In all six cases the original decision was upheld.

Recruitment

The Civil Service Order in Council 1995 provides the legal basis for our recruitment policies, and the Civil Service Commission sets mandatory principles for recruitment.

At 31st March 2014 we employed 188.5 whole-time equivalent staff compared with our design complement of 205. Although much effort went into recruitment during the year the rate at which we were able to increase our capacity was slowed by staff turnover, the need to follow civil service requirements and difficulties in recruiting to a number of specialist roles. We employed 41 temporary staff to cover vacancies, maternity leave and long-term sick leave.

Review of tax arrangements of public-sector appointees

Government departments are required to obtain assurances from individuals on contracts of more than six months' duration, where the annual cost is greater than £58,200, that tax due on contract payments will be paid. As at 31st March 2014 all such contractors engaged by us met these conditions.

Sickness absence

Some 1,964 days were lost to sickness absence in 2013–14, representing 4.37 per cent of available staff working days. This is an average of 10.9 days per employee (6.6 days per employee in 2012–13). This includes 1,330 days of long-term sickness absence. There were 19 staff on long-term sick leave during 2013–14, with long-term sickness being classed as more than 20 days' absence. This is higher than the latest Civil Service average figure of 7.6 days and the overall public sector average of 8.7 days.

Health and safety

We are committed to providing a safe and healthy working environment and our Health and Safety Committee meets quarterly. We have introduced an annual health screening at work programme, a physical health check and a health behaviour assessment and we provide access to a confidential service providing advice and counselling.

There was one reportable incident during the year, an accident requiring medical attention.

Diversity and equality

We continue to promote equality for all regardless of gender, race, age, religion, belief, sexual orientation or disability. The gender breakdown of staff as at 31st March 2014 was 123 females and 68 males.

At 31st March 2014, 6.8 per cent of staff members classified themselves as disabled, and 9.7 per cent classified themselves to be non-white with a further 22 per cent undeclared.

We operate an Equalities Advisory Group (an external advisory group) providing advice and challenge on equalities issues concerning qualifications and reform activities.

Sustainability

As a small organisation we are below the threshold for producing a sustainability report in accordance with the Financial Reporting Manual (FReM). However we do consider sustainability in carrying out our work. We continue to increase our recycling of office waste and reduced waste going to landfill. Energy-saving measures in our Coventry office have continued to generate savings, with a 10 per cent reduction in electricity usage in year compared with 2012–13. A 14 per cent reduction in gas usage was also recorded in the same period. The water-saving measures we have introduced have limited the increase in water consumption to 6 per cent, despite the increase in staff numbers. We will continue to seek improvements.

Payment of suppliers

We adhere to the Late Payment of Commercial Debts (Interest) Act 1998 and meet the normal terms of payment of invoices of 30 days from receipt, except where different terms have been agreed with suppliers. We are a small department and so the Government’s five-day target for small and medium enterprises (SME) to receive payment is not mandated, but we continue to pay valid invoices from SMEs within ten days.

Payment of trade and other payables is reported on a creditor-days basis. This is calculated as a proportion of the amount owed to trade creditors at the year-end compared with the aggregate amount invoiced by suppliers during the year, expressed as a number of days in the same proportion to the total number of days in the financial year. We paid suppliers within an average of 17 creditor days in 2013–14. This includes small and medium enterprises as well as larger enterprises. No interest was payable under the Late Payment of Commercial Debts (Interest) Act 1998 (2012–13: £50).

Basis of accounts

The accounts for the year ended 31st March 2014 have been prepared under a direction issued by HM Treasury in accordance with the Government Resources and Accounts Act 2000.

We were the sole entity within our Departmental Accounting Boundary during 2013–14 and are not responsible for any bodies outside our Departmental Accounting Boundary.

Pension liabilities

Our employees are covered by the provisions of the Civil Service Pension Scheme. Information on pension entitlements is provided in the *Remuneration Report*. Information on pension liabilities is provided in 'Financial statements' in this report.

Going concern

In common with other government departments, the future financing of our liabilities will be met by future Grants of Supply and the application of future income to be approved annually by Parliament. Our resource and expenditure with the Treasury for the two years 2014–16 has been agreed and there is no reason to believe that future approvals will not be forthcoming.

Accordingly, it is considered appropriate to adopt a going-concern basis for the preparation of these financial statements.

Events after the reporting period

There have been no events after the reporting period requiring an adjustment to the financial statements nor any non-adjusting events.

Auditor

The Apprenticeships, Skills, Children and Learning Act 2009 appointed the Comptroller and Auditor General as our auditor. He has charged a notional £46,000 for his audit in 2013–14 (£49,000 in 2012–13).

As far as I am aware, there is no relevant audit information of which the Comptroller and Auditor General is unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and establish that the Comptroller and Auditor General is aware of that information.

Glenys Stacey
Accounting Officer for Ofqual
Date: 27th June 2014

Departmental data reporting tables

These tables show resources consumed, capital investment and expenditure by country and region.

Table 1: Public spending

This table shows annual expenditure from 2008–09, when we were established in interim form as part of the Qualifications and Curriculum Authority (QCA), to 2013–14, and the expenditure budgeted for the remaining year of the 2012–15 Comprehensive Spending Review period.

Planned net expenditure has been supplemented by the Department for Education which is providing additional funds to cover the costs of the new work required to implement reformed GCSEs, A levels and reference tests. The Department agreed to provide up to £2.5 million in 2013–14 (of which we requested £1.25 million), up to £4 million in 2014–15 and in principle up to £5 million in 2015–16.

	2008–09 Outturn £000	**2009–10 Outturn £000**	**2010–11 Outturn £000**	**2011–12 Outturn £000**	**2012–13 Outturn £000**	**2013–14 Outturn £000**	**2014–15 Planned £000**
Consumption of resources							
Regulation of qualifications	13,317	18,651	15,268	16,132	16,749	18,336	20,089
Total resource DEL	13,317	18,651	15,268	16,132	16,749	18,336	20,089
Resource AME							
Regulation of qualifications	0	0	0	0	0	0	0
Total resource	13,317	18,651	15,268	16,132	16,749	18,336	20,089
Capital spending							
Regulation of qualifications	96	1,016	2,876	602	11	87	100
Total capital	96	1,016	2,876	602	11	87	100
of which							
Capital DEL	0	0	2,876	602	11	87	100
Total public spending	13,413	19,667	18,144	16,734	16,760	18,423	20,189

Notes:

- Total public spending is the total of resource and capital expenditure less depreciation.

Ofqual's establishment on 1st April 2010 as a non-ministerial government department was treated as a Machinery of Government Change. The 2008–09 and 2009–10 figures were supplied by the Qualifications and Curriculum Authority (QCA), which extracted them from its statements of account. No analysis of expenditure is available for these years. Expenditure for 2009–10 includes both transitional and set-up costs.

Table 2: Public spending control

This table compares our expenditure in 2013–14 with our budgetary control limits.

	2013–14 £000	2012–13 £000
Net resource (estimates)	18,554	18,058
Net operating cost (accounts)	18,336	16,749
Net resource outturn (accounts)	18,336	16,749
Net resource budget (budget)	18,554	18,058
Net underspend	218	1,309

Notes:

- Parliament provides the legal authority to incur expenditure through the estimates and supply procedure. Parliament grants statutory authority both to consume resources and draw cash from the Consolidated Fund to pay for resources consumed by an annual Appropriation Act and the Consolidated Fund Act. The Treasury presents the Main Estimates (the start of the Supply Procedure) to Parliament around the start of the financial year to which they relate. A set of supplementary budgetary information tables reconciles the Estimates to these Departmental Report tables.
- Details of all Estimates can be found on the Treasury's website.

Table 3: Capital employed

This table shows the capital we employ and plan to employ

	2008–09 Outturn £000	2009–10 Outturn £000	2010–11 Outturn £000	2011–12 Outturn £000	2012–13 Outturn £000	2013–14 Outturn £000	2014–15 Planned £000
Assets and liabilities on the statement of financial position at end of year							
Property, plant and equipment	81	996	3,135	243	178	114	120
of which IT	0	0	364	243	178	114	120
Intangible assets	7	115	3,499	3,034	2,250	1,541	800
Current assets	39	99	996	845	532	457	700
Current liabilities (less than one year)	(1,386)	(2,570)	(2,474)	(2,413)	(1,429)	(2,222)	(2,150)
Total capital employed	**(1,266)**	**(1,475)**	**2,021**	**1,709**	**1,531**	**(110)**	**(530)**

Note:

- The movement in capital employed reflects our reducing capital allocation.

Table 4: Programme and administration expenditure

	2010–11 Outturn £000	2011–12 Outturn £000	2012–13 Outturn £000	2013–14 Outturn £000	2014–15 Planned £000
Programme:					
Expenditure					
Pay	51	51	52	728	600
Other expenditure	1,374	2,368	2,974	2,612	3,828
Total expenditure	1,425	2,419	3,026	3,340	4,428
Income	0	0	0	0	0
Total programme expenditure and budgeted	1,425	2,419	3,026	3,340	4,428
Administration:					
Expenditure					
Pay	10,175	9,617	10,915	12,091	12,200
Other expenditure	4,799	4,626	3,331	3,357	3,911
Total expenditure	14,974	14,243	14,246	15,448	16,111
Income	(1,131)	(530)	(523)	(452))	(450)
Total administrative expenditure	13,843	13,713	13,723	14,996	15,661
Grand total	**15,268**	**16,132**	**16,749**	**18,336**	**20,089**

Notes:

- In 2010–11 the Treasury classified all expenditure as programme expenditure. From 2011–12, the Administrative Cost Regime applies, which requires expenditure to be split between programme and administration in accordance with the Financial Reporting Manual (FReM 11.3.3). Table 4 shows the programme and administration outturns for 2013–14 and budgets for 2014–15. Including the additional monies from DfE as discussed in relation to Table 1
- This table includes capital expenditure, which is excluded from Table 1.

Table 5: Staff and temporary staff

	2012–13 number	2013–14 number
Senior civil service		
Payband 2	1	1
Payband 1	6	7
	7	8
Civil servants	150	183
Total civil servants	157	191
Temporary staff	26	41
Consultants	0	0
Total	183	232

Notes:

- The figures in Table 5 include employees, interim staff and contractors. Note 3 to the Accounts shows the average number of staff employed during the year.
- Our salary bands were inherited from QCA and do not align with civil service salary bands. To enable a comparison with senior civil service bands, the Chief Regulator and directors are assigned to a civil service equivalent band. We have reviewed salary bands to align more closely with civil service arrangements and this will be implemented beginning in 2014–15.
- In the year to 31st March 2014 we spent £2,552k (2012–13: £2,532k) on temporary staff and £184k on consultants (2012–13: £0k).
- The £87k capital spend in 2013–14 accounts for the difference between the total figures reported in Tables 4 and 6 (2012–13: £11k).

Table 6: Identifiable expenditure on services by country and region

	2009–10 £000	2010–11 £000	2011–12 £000	2012–13 £000	2013–14 £000
England	19,071	17,598	16,220	16,252	17,973
Scotland	0	0	0	0	0
Wales	0	15	22	23	39
Northern Ireland	596	531	492	485	411
Total UK identifiable expenditure	19,667	18,144	16,734	16,760	18,423
Outside UK	0	0	0	0	0
Total identifiable expenditure	19,667	18,144	16,734	16,760	18,423
Non-identifiable expenditure	0	0	0	0	0
Total expenditure	19,667	18,144	16,734	16,760	18,423

Notes:

- Expenditure in Northern Ireland relates to our office in Belfast. All other expenditure, including other regulatory expenditure for Northern Ireland, is incurred in England.

Expenditure in Wales relates to the cost of providing the Welsh qualifications regulator with access to our regulatory system

Table 7: Identifiable expenditure on services by country per head and region per head

This table is omitted as expenditure is less than £1 per head.

Table 8: Spending by function or programme by country and region

	Function / Programme 1 2012–13 £000	Function / Programme 1 2013–14 £000
England	16,252	17,973
Scotland	0	0
Wales	23	39
Northern Ireland	485	411
Total UK identifiable expenditure	16,760	18,423
Outside UK	0	0
Total identifiable expenditure	16,760	18,423
Non-identifiable expenditure	0	0

Glenys Stacey
Accounting Officer for Ofqual
Date: 27th June 2014

Remuneration report

Part 1: Not subject to audit

Ministers

Ofqual is a non-ministerial government department with no ministerial remuneration to report.

Ofqual

The Chair and other non-executive board members are appointed by the Secretary of State for renewable terms of not more than five years. The Queen-in-Council on the advice of the Secretary of State for Education appoints the Chief Regulator for a fixed term, currently five years.

All other permanent staff are civil servants, appointed in accordance with the Civil Service Recruitment Code which requires appointments to be made on merit on the basis of fair and open competition, except in specified circumstances..

Unless otherwise stated, the staff covered by this report hold permanent civil service appointments.

Further information about the work of the Civil Service Commission is available at: http://www.civilservicecommission.org.uk/

The Chief Regulator, members and directors are covered by the Civil Service Management Code, and potential and actual conflicts of interest are managed in accordance with this code. Note 19 of the Statement of Accounts lists the directorships and other significant interests held by board members.

We maintain a Register of Interests that is open to the public and accessible by a written request for information addressed to our Board secretary.

Remuneration Policy

Directors are paid in accordance with Ofqual's pay policy and pay band structure, which was established when Ofqual was part of QCA. A new Pay and Grading structure covering delegated grades was developed in 2013–14 for implementation in 2014–15.

Part 2: Subject to Audit

The tables below shows gross salary and other taxable allowances. Full year salary equivalents for those who served part of the year are shown in brackets.

The information for the increases in pension, total accrued pension and cash equivalent transfer value (CETV) is provided by Ofqual's Principal Civil Service

Pension Scheme (PCSPS) pension service centre in accordance with calculations and in the format determined by the PCSPS and the Cabinet Office.

As a result of proposed changes to our performance management policy no non-consolidated staff bonuses for 2013–14 have been paid.

Remuneration (including salary and payments in kind).

The salary entitlements of the most senior members of Ofqual for the year ending 31 March 2014 were as follows:

	Salary 2013-14	Salary 2012-13	Pension Benefits 2013-14	Pension Benefits 2012-13	Total 2013-14	Total 2012-13
	£000	£000	£000	£000	£000	£000
Amanda Spielman (Chair)	35-40	35-40	-	-	35-40	35-40
Dana Ross-Wawrzynski 1st October 2013	0-5	-	-	-	0-5	-
Tim Balcon	5-10	5-10	-	-	5-10	5-10
Ray Coughlin	5-10	5-10	-	-	5-10	5-10
Philip Fletcher	5-10	5-10	-	-	5-10	5-10
Maggie Galliers	5-10	0-5	-	-	5-10	5-10
Mike Cresswell 1st October 2013	0-5	-	-	-	0-5	-
Neil Watts	5-10	5-10	-	-	5-10	5-10
Anne Heal	5-10	5-10	-	-	5-10	5-10
Barnaby Lenon	5-10	5-10	-	-	5-10	5-10
Julius Weinberg	5-10	5-10	-	-	5-10	5-10
Roger Taylor	5-10	5-10	-	-	5-10	5-10
Thomas Taylor	5-10	5-10	-	-	5-10	5-10
Glenys Stacey Chief Regulator	140-145	120-125	68	16	205-210	135-140
Dennis Opposs Director of Standards from 13th Aug. *(Director of Standards and Research until 12th Aug.)*	105-110	100-105	13	4	115-120	105-110
Fiona Pethick Director of Regulation	105-110	100-105	16	10	120-125	110-115
David Robson Director of Corporate and Business Services *(Left 31st Oct.)*	55-60 (95-100)	100-105 (95-100)**	2	23	55-60	120-125
Jeremy Benson Director of Policy from 13th Aug. *(Deputy Director of Policy until 12th Aug)*	95-100	85-90	18	14	110-115	100-105
Adrian Long Director of Strategic Communications and Engagement from 13th Aug. *(Director of Policy and Engagement until 12th Aug.)*	95-100	65-70 (95-100)	38	27	135-140	90-95
Tim Leslie Director of Strategic Reform from 13th Aug. *(Director of Risks and Markets until 12th Aug.)*	90-95	85-90 (90-100)	34	35	125-130	120-125
Mike Jeacock Interim Chief Operating Officer (from 4th Nov.)	115-120***	-	-	-	115-120***	-
Jane Farleigh Interim Director of Regulatory Operations from 13th Aug.	50-55 (85-90)	-	15	-	65-70	-
Cath Jadhav Interim Director of Research and Evaluation from 13th Aug.	50-55 (80-85)	-	15	-	65-70	-
Marc Baker Programme Director from 3rd Dec.	25-30 (80-85)	-	10	-	35-40	-

*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

** The full year salary for David Robson in 2012-13 includes his remuneration as an interim director, paid at an agency rate, plus his salary following his substantive appointment. His full year equivalent is based on his salary banding at 31 March.

***Mike Jeacock was recruited as interim Chief Operating Officer via an agency on a contract that ended in May 2014. This figure includes agency fees and VAT. Excluding these his salary fell in the £80k– £85k band**.**

Pension Benefits

The pension benefits of the most senior members of Ofqual for the year ending 31 March 2014 were as follows:

	Accrued pension at pension age as at 31/3/14 and related lump sum	Real increase in pension and relate lump sum at pension age	CETV at 31 March 2014	CETV at 31 March 2013	Real Increase in CETV
	£000	£000	£000	£000	£000
Glenys Stacey	15-20	2.5-5	306	215	67
Dennis Opposs	50-55 Plus lump sum of 150-155	0-2.5 Plus lump sum of 2.5-5	1,160	1,129	13
Fiona Pethick	35-40 Plus lump sum of 115-120	0-2.5 Plus lump sum of 2.5-5	778	719	13
David Robson	25-30	0-2.5	584	562	8
Jeremy Benson	25-30	0-2.5	283	255	7
Adrian Long	0-5	0-2.5	49	19	21
Tim Leslie	0-5	0-2.5	63	29	24
Jane Farleigh	15-20 Plus lump sum of 5-10	0-2.5	318	282	12
Cath Jadhav	5-10	0-2.5	89	75	7
Marc Baker	0-5	0-2.5	8	0	5

Non-executive board appointments are non-pensionable, so board members other than the Chief Regulator are excluded from this table

Fair Pay in the Public Sector

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation’s workforce.

The banded remuneration of the highest-paid director in Ofqual in the financial year 2013-14 was £140k-£145k (2012-13, £120k-£125k). This was 3.7 times the median remuneration of the workforce, which was £37,336 (2012-13, 3.4 times, £35,386).

The change in the remuneration of the highest paid director reflects the additional responsibilities associated with qualification reform.

In 2013-14, 0 (2012-13, 0) employees received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Pension benefits

Non-executive board appointments are not pensionable.

Pension benefits for employees are provided through Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a ‘final salary’ scheme (classic, premium or classic plus); or a ‘whole career’ scheme (nuvos). These statutory arrangements are unfunded, with employers’ and employees’ contributions being paid to the consolidated fund and the cost of benefits being met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are indexed annually in line with increases in the cost of living using specified indices. Members joining a scheme since October 2002 have been able to opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

Employees’ pension contributions now vary depending upon the employee’s pay band with a range between 1.5 per cent and 6.25 per cent for the classic scheme and 3.5 per cent 8.25 per cent for the others. Further increases to employee contributions apply from 1 April 2014.

Benefits in the classic scheme accrue at a rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years’ initial pension is payable on retirement.

For members of the premium scheme, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service and unlike classic there is no automatic lump sum.

Classic plus is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per the classic scheme, and benefits for service since October 2002 calculated as the premium scheme.

In nuvos, a member builds up a pension based on the pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 % of their pensionable earnings in that scheme year and the accrued pension is uprated in line with the index for the year.

In each scheme, members may opt to commute pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided death in service and ill-health retirement cover.

The accrued pension shown in the remuneration table is what the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus schemes, and 65 for members of the nuvos scheme.

Further details about Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/my-civil-service/pensions/index.aspx

Cash equivalent transfer value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes

(Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

No compensation for loss of office was paid in 2013-14 (2012-13 £nil).

Glenys Stacey
Accounting Officer for Ofqual
Date: 27 June 2014

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed Ofqual to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Ofqual and of its net resource outturn, resources applied to objectives, changes in the taxpayers' equity and cash flows for the financial year.

- In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:
- observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis.

HM Treasury has appointed the Chief Regulator as Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Ofqual's assets, are set out in Managing Public Money published by HM Treasury.

Governance Statement

Scope of Responsibility

As Accounting Officer I am responsible for maintaining a sound system of internal control that supports the achievement of our policies, aims and objectives, whilst safeguarding the public funds and our assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. This governance statement describes how I have carried out these duties and the structure that supported me in the 2013-14 financial year.

The Ofqual board

During 2013-14 the Board consisted of a chair, twelve ordinary members (one of whom is appointed as Deputy Chair) and the Chief Regulator. The board had two vacancies for six months between April and September while new board members were recruited. Ordinary members are appointed by the Secretary of State for Education for terms no longer than five years. Board members may be reappointed as their terms expire, but there is no automatic right to this.

The Board members and the committees they served on, during the year were:

Name	Date of Appointment	Term of Appointment	Board Meetings and Committees Attendance Record	Membership of Board Committees				
				Audit and Risk Committee (A&R)	Finance Committee (Fin)	Reform Committee	Vocational Advisory Group	Standards Advisory Group (SAG)
Amanda Spielman (Chair)	14 July 2011	3 years, to 13 July 2014 ****	Board (r) 100% Board (a) 100% SAG 100% VAG 100% Ref 100%			✓ *	✓ *	✓ *
Tim Balcon	Reappointed 1 April 2012	2 years, to 31 March 2014 **	Board (r) 86% Board (a) 66% Fin 100% VAG 100%		✓		✓	
Ray Coughlin	1 April 2010	4 years, to 31 March 2014	Board (r) 71% Board (a) 66%					
Mike Cresswell	1 October 2013	3 years, to 30 September 2016 *****	Board (r) 100% Board (a) 0% SAG 100%[5] VAG 100%				✓	✓
Philip Fletcher	Reappointed 1 April 2013	3 years, to 31 March 2016	Board (r) 71% Board (a) 66% A&R 100%	✓ *				
Maggie Galliers	Reappointed 1 April 2013	3 years, to 31 March 2016	Board (r) 100% Board (a) 66% A&R 100% VAG 100% Ref 50%	✓		✓	✓	
Anne Heal	1 April 2012	3 years, to 31 March 2015	Board (r) 86% Board (a) 100% A&R 100%	✓				
Barnaby Lenon	1 April 2012	3 years, to 31 March 2015	Board (r) 100% Board (a) 66% SAG 100%					✓
Dana Ross-Wawrzynski	1 October 2013	3 years to 30 September 2016 *****	Board (r) 100% Board (a) 100%					
Glenys Stacey (Chief Regulator and Accounting Officer)	1 March 2011	5 years, to 29 February 2016	Board (r) 86% Board (a) 100% SAG 66% VAG 100% Ref 100%			✓	✓	✓
Roger Taylor	1 April 2012	3 years, to 31 March 2015	Board (r) 86% Board (a) 33%					
Thomas Taylor	1 April 2012	3 years, to 31 March 2015	Board (r) 71% Board (a) 33% Fin 75%		✓ *			

[5] Before his appointment to the Board on 1 October 2013 Mike Cresswell was an independent member of the Standards Advisory Group.

Neil Watts	1 April 2010	4 years, to 31 March 2014 **	Board (r) 100% Board (a) 100% Fin 100%		✓			
Julius Weinberg	1 April 2012	3 years, to 31 March 2015	Board (r) 86% Board (a) 66% SAG 100% Ref 50%			✓		✓

Notes:

Board (r)	routinely scheduled meetings (7 meetings in 2013-14)
Board (a)	additional meetings called at short notice (3 meetings in 2013-14)
SAG	Standards Advisory Group (3 meetings in 2013-14)
A&R	Audit and Risk Assurance Committee (5 meetings in 2013-14 including 1 joint meeting with the Finance Committee)
Fin	Finance Committee (4 meetings in 2013-14 including 1 joint meeting with the Audit and Risk Assurance Committee)
VAG	Vocational Advisory Group (1 meeting in 2013-14)
Ref	Reform Committee (2 meetings in 2013-14)

*	denotes Chair of Committee
**	Tim Balcon and Neil Watts were reappointed for a further three years to 31 March 2017
***	Ray Coughlin was reappointed for a further one year to 31 March 2015
****	Amanda Spielman has been reappointed for a further five years to 13 July 2019
*****	Mike Cresswell and Dana Ross-Wawrzynski were appointed to the Board on 1 October 2013 and were eligible to attend three routine board meetings and one additional board meeting.

Directors are invited to attend board meetings and relevant committee meetings

Board and committee members are required to declare potential conflicts of interest on appointment and at the beginning of each meeting they attend. They must confirm annually that the register of their interests is up to date. Where actual or potential conflicts of interests are identified, board members take no part in any discussion and are not involved in any decisions that relate to those interests.

During 2013-14 one board member, Tim Balcon, declared a conflict. The Institute of Environmental Management and Assessment (IEMA) of which he is Chief Executive entered into a contract with City and Guilds (a vocational qualifications provider) to develop two single unit qualifications on environmental sustainability. Tim has made several undertakings to mitigate the effect of this interest and to declare the presence of the interest when relevant matters come before the Board. Where the interest amounts to a significant conflict of interest, he has undertaken to withdraw from the meeting for that item.

The Register of Interests is open to the public, and requests for information may be made in writing addressed to our Board Secretary.

The Board had the following committees during the year ended 31 March 2014.

Audit and Risk Assurance Committee (formerly Audit and Risk Committee)

The Audit and Risk Assurance Committee provides advice and assurance to the Board and to me, as Accounting Officer on the adequacy and effectiveness of internal controls, risk management processes and our governance arrangements. It also oversees internal and external audit arrangements covering both financial and non-financial systems. The committee normally meets four times a year, although the committee chair may call additional meetings as necessary.

The Committee consists of three members of the Board and an independent financially qualified member, Trevor Robinson, who was initially appointed as a member in March 2011 for a term of three years and at the end of 2013 was reappointed for a further three years to 28 February 2017.

The Ofqual chair and I, as Accounting Officer, are invited to attend meetings of the committee. The Head of Financial Accounts, and the Chief Operating Officer also attend, as do our internal auditors. The Committee is also supported by direct input from NAO who attend all meetings. Other members of Ofqual staff attend where appropriate.

The committee chair provides a summary of its work to the Board at each Board meeting. The Committee undertakes an annual effectiveness review looking at how the Committee has functioned and provides a report to the Board. Together with this report, the Committee also prepares an annual formal assessment of our risk management and control processes. The committee also considers all aspects of internal control and counter-fraud, including reports from the internal and external auditors.

Finance Committee

The Finance Committee considers and advises the Board on financial issues. It is authorised to seek any information it requires from any committee of the Board, or directly from any Board Member or member of staff.

The Committee meets at least three times a year and consists of up to four members of the Ofqual Board. Members of the Committee are not members of the Audit and Risk Assurance Committee.

I attend committee meetings as Accounting Officer, together with the Chief Operating Officer, the Head of Financial Accounts and the Head of Management Accounts

Standards Advisory Group

The Standards Advisory Group advises the Board on qualification and assessment standards. This includes, but is not limited to, matters concerning comparability between regulated qualifications, international comparisons, validity, reliability, predictability and setting standards.

The Advisory Group meets at least three times a year. It consists of between two and five members of the Ofqual Board and a number of independent members. The independent members are appointed to bring specific expertise to the group.

A board member is nominated by the Board to chair the Standards Advisory Group. *During 2013-14,* the independent members of the Group were Professor Jo-Anne Baird, Professor Paul Black, Professor Robert Coe, Mike Cresswell (became a board member appointment to the group after his appointment to the Board on 1 October 2013), Professor Caroline Gipps (appointed on 29 January 2014), Dr Tina Isaacs, Jerry Jarvis, Dr Paul Newton, Tim Oates, Dr Michelle Meadows, Professor Roger Murphy, Dr Alastair Pollitt, Professor Gordon Stobart and Professor Alison Wolf (transferred to the Vocational Advisory Group on 1 March 2014).

Meetings are normally attended by the Director of Standards and Research and relevant senior members of the Standards and Research Directorate. Other members of staff may attend meetings as appropriate.

The Group may invite other individuals to attend meetings - for example to hear a particular stakeholder’s point of view in a matter. The invitation may be for the entire meeting or for a specific item.

Vocational Advisory Group

The Vocational Advisory Group advises the Board in relation to vocational qualifications and assessments. This includes, but is not limited to, matters concerning, appropriate forms of assessment, comparability between regulated qualifications, international comparisons, validity, reliability, predictability and setting standards in vocational assessment.

The Advisory Group has met for the first time and will meet at least three times a year. It consists of between two and six members of the Ofqual Board and a number of independent members. The independent members are appointed to bring specific expertise to the group. A board member is nominated by the Board to chair the Standards Advisory Group. During 2013-14, the independent members of the Group were Professor Alan Brown, Professor Kathryn Ecclestone, Norman Gealy, Professor Ewart, Mark Protherough, Professor David Raffe, Professor Gordon Stobart, Professor Lorna Unwin, and Professor Alison Wolf.

Reform Committee

The Board has established a Reform Committee to which it may delegate responsibilities for qualification reform when necessary. The Committee meets as required and consists of up to five members of the Ofqual Board.

Further details about the board and its committees can be found in the Governance Framework available on Ofqual's website[6]

Committee reporting to the board

Each committee reports on its work at the board meeting following the committee meeting. Principal items of committee business in 2013-14 were:

Finance Committee

- recommending our 2012-13 Annual Report and Accounts to the Board for approval;
- reviewing our business priorities at the half year and the revised expenditure profile associated with this; and
- monitoring the review of pay and grading.

Audit and Risk Assurance Committee

- recommending our 2012-13 Annual Report and Accounts to the Board for approval;
- reviewing internal audit reports;
- overseeing information and records management;
- overseeing risk management;
- agreeing our 2013-14 Internal Audit plan and monitoring progress against it;
- reviewing its own effectiveness;
- agreeing the approach and timetable for work to draw up our 2013-14 Annual Report and Accounts; and
- reviewing proposals for tendering for new Internal Auditors within the remit of the new internal audit groups.

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[6] www.ofqual.gov.uk

Standards Advisory Group

Providing advice to Ofqual on:-

- proposals for GCSE reform;
- setting grade standards in reformed GCSEs;
- the introduction of a national reference test;
- Ofqual's programme of 'intelligent comment';
- the Government's consultation on primary assessment and accountability under the new National Curriculum;
- the assessment of practical skills in science A levels and GCSEs; and
- advice on the grading of Vocational Qualifications

Vocational Advisory Group

- provided advice on the grading of vocational qualifications;
- discussed the regulation of apprenticeships;
- provided advice on the development of Ofqual's regulatory strategy with a particular focus on vocational qualifications; and
- considered Ofqual's review of the Qualifications and Credit Framework.

Reform Committee

- reviewed proposals for a new grading scale for reformed GCSEs prior to decision by the Board;
- provided advice on proposals for the tiering of GCSE mathematics prior to consideration by the Board;
- considered proposals for non exam assessment in reformed A levels prior to decision by the Board;
- reviewed proposals for the regulation of reformed A level and AS qualifications prior to decision by the Board; and
- took a number of decisions delegated to it by the Board.

Management Control Activities

Two committees have responsibility for management control activities they are: the Chief Regulator’s Committee, which addresses regulatory matters, and the Chief Executive’s Committee, which addresses Ofqual’s management.

Dividing the Executive team’s work into these two distinct and separate remits has enabled a clearer focus to be given to both. There are times when business crosses over the boundaries of both committees and in these situations I decide where it would be most appropriate for business to be discussed.

Chief Regulator’s Committee

The Chief Regulator’s Committee (CRC) meets weekly. I attend, together with all directors, the deputy director for policy, and others by invitation. The agenda contains rotating and recurring topics, topics requested by me or directors and topics referred from directorate management teams and committees of the Board. It considers regulatory strategy and activity and addresses:

- regulatory matters to be referred to the Ofqual Board and significant regulatory matters referred to the Committee from the Ofqual Board
- standards and research;
- regulation;
- regulatory risk management and markets;
- policy and engagement;
- publications;
- regulatory future proofing.

Chief Executive’s Committee

The Chief Executive’s Committee (CEC) addresses our internal management and meets fortnightly. I attend together with all directors and others by invitation. In addition to matters requested by me or directors the agenda contains matters referred from the Finance and Audit and Risk Committees and the Project and Programme Management and Information Systems / Information Technology steering groups. These include:

- preparation for Board meetings and Board meeting follow up
- monitoring progress against our corporate and business plans;

- and significant corporate matters referred to the Committee including business planning, corporate risk management; programme and project management and matters relating to finance, IT, HR, equality and Health and Safety**.**

Directors attending Chief Regulator's Committee (CRC) and Chief Executive's Committee (CEC)

Name	Date of Appointment	Member of CRC	Member of CEC
Glenys Stacey, Chief Regulator	1 March 2011	✓	✓
Fiona Pethick, Director of Regulation	1 April 2010	✓	✓
Dennis Opposs, Director of Standards	1 April 2010	✓	✓
Tim Leslie, Director of Strategic Reform	16 April 2012	✓	✓
Adrian Long, Director of Strategic Communications and Engagement	23 July 2012	✓	✓
David Robson, Director of Corporate and Business Services	1 December 2011* Left 31 October 2013	✓	✓
Jeremy Benson, Director of Policy	23 July 2012	✓	
Mike Jeacock, Chief Operating Officer	4 November 2013	✓	✓
Cath Jadhav, Director of Research and Evaluation	13 August 2013	✓	
Jane Farleigh, Director of Regulatory Operations	13 August 2013	✓	✓
Marc Baker, Programme Director	3 December 2013	✓	✓

Note: David Robson left on 31 October 2013 and was replaced by Mike Jeacock.

Board performance and assessment of its own effectiveness

The Board considered its performance against the standards set out in the Corporate Governance Code[7] in May 2014 focussing on five key areas: core business, trust and support, contribution and execution, engagement with stakeholders, and board leadership. Identified strengths were:

- the Board is clear as to its purpose and Ofqual's statutory objectives;
- Board members behave corporately and do not limit their contributions to their own specialist areas;
- the Board is kept up to date and is fully informed about any sensitive or difficult issues; the work of the Board reflects current national issues and policies; and

[7] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220645/corporate_governance_good_practice_july2011.pdf

- the leadership of the Board has a positive impact on its performance.

Engagement with stakeholders was identified as an area for development, particularly awareness of stakeholders' views about Ofqual and understanding stakeholders' expectations. The constructive working relationship with other stakeholder organisations and networks was acknowledged.

Where appropriate, our corporate governance framework also follows the Corporate Governance Code. The main difference is that with the exception of The Chief Regulator, all other Board Members are Non-Executives. The balance between non-executive directors and executive directors is addressed by inviting executive directors to attend Board meetings.

Risk Management

A function of Ofqual's governance structure is to ensure the effective management of risk. In addition to the corporate risk register, directorates maintain risk registers, as do major programmes and projects. The Chief Executive's Committee regularly considered the corporate risk register and actions to mitigate risk during the year and the Audit and Risk Assurance Committee supports the Ofqual Board in reviewing the comprehensiveness, reliability and integrity of Ofqual's internal controls and risk management processes.

Our risk management processes are designed to manage risk to a reasonable level, rather than to eliminate risk. Therefore, the processes we have in place only provide a reasonable, rather than an absolute, assurance that risks are being managing effectively. Our approach to risk management is:

- comprehensive and embedded throughout the organisation;
- to ensure mitigating actions are proportionate to the risk faced;
- to manage risks actively and review the risk management process regularly, so that it is responsive to changes in the environment;
- to align risk management with strategic objectives and ensure that it is integral to our management and business planning.

Effective risk management allows us to:

- have increased confidence that we will achieve our strategic objectives;
- focus our actions and efforts where they will have most effect;
- provide a framework for decisions about what risks to manage and what risks to tolerate;

- constrain threats to acceptable levels;
- improve our partnership working arrangements and corporate governance; and
- ensure that we maximise our opportunities and minimise the threats we face to acceptable levels, thereby improving our ability to deliver priorities and improve outcomes.

Risk profile

We are aware that GCSE and A-Level reform work streams have little time contingency in the plans. We identify and manage critical path activities, liaising closely with exam boards and DfE. We keep the timetable for reform under review and if necessary we will advise Government of any requirement for delay.

There is a risk that the exam boards and the awarding organisations may not have the capacity to ensure they are compliant with our developing regulatory requirements within the required timeframe. We are engaging frequently with awarding organisations, setting out clear requirements and checking compliance on a risk basis.

The continued risk that an unexpected event occurs (e.g. a major incident). The potential that this will adversely affect planned activity is addressed as part of business continuity planning. We have well developed and tested incident management arrangements

We identified deficiencies in Ofqual's IT infrastructure. These were highlighted by the work undertaken on the development of our regulatory approach and strategy. An outline IT infrastructure and transition plan has been developed to ensure future IT developments will align with our regulatory strategy.

There is a risk that Ofqual may not have sufficient capacity to deliver what is planned and expected of it. To address this we have a process in place to continuously review resourcing across the organisation. A revised operating model is currently being developed and as part of this process key staff have been identified and actions taken to address pressure points. We have recently initiated a review of regulatory operations resourcing to ensure we can deliver business as usual and our strengthened regulatory approach.

We have identified that the delivery of business plan activities may be adversely affected by staff numbers being below complement. We have undertaken a full review of all goals within the plan and we apply programme management disciplines to priority goals and tasks.

Information risk

We work to comply with the mandatory requirements set out in HMG Security Policy Framework issued by the Cabinet Office. This sets out the standards, best practice guidelines and approaches required to protect government assets (people, information and infrastructure). It focuses on the outcomes that are required to achieve a proportionate and risk managed approach to security that enables government business to function effectively, safely and securely.

We follow the guidelines set out in the HMG Security Policy Framework to ensure that information is managed and safeguarded correctly throughout its life cycle. Members of staff are made aware of these requirements, which are reinforced through mandatory information security training.

Our Chief Operating Officer has assumed the role of Senior Information Risk Officer (SIRO) responsible for ensuring that information risks are assessed and controlled to an acceptable level. The SIRO is supported by the Departmental Security Officer (the Head of Financial Accounts).

The SIRO has confirmed to me that an annual Security Risk Management Overview has been completed satisfactorily, and independently reviewed by internal audit. The SIRO has similarly confirmed to me that, to his knowledge, there have not been any instances where assets have been used inappropriately.

We have chosen to use the Information Assurance Maturity Model as our primary tool for assessing our compliance with the HMG Security Policy Framework and this has informed our Cabinet Office Security Risk Management Overview return. We have achieved Level 2, a level our Audit and Risk Assurance Committee deem to be appropriate for the organisation. Key suppliers were assessed separately using a subset of the Supplier Information Assurance Framework.

Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2013-14

There have been no incidents to report to the Information Commissioner's Office during the year.

Summary of other protected personal data related incidents in 2013-14

There have been no incidents to report during the year.

Internal Audit

Our governance arrangements and risk management processes are supported by an internal audit function that reviews our procedures and controls. An annual audit programme focuses on our major assessed risks. Both the Chief Executive's Committee and the Audit and Risk Assurance Committee are consulted in its development.

Internal Audit works to the Government Internal Audit Standards[8]. All audit reports include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of Ofqual's system of internal control together with any recommendations for improvement. Where weaknesses in controls are identified, we take action to strengthen the controls.

Effectiveness of the Internal Control Framework

As Accounting Officer I review the effectiveness of our system of internal control annually. My review is informed by the work of the internal auditors; by feedback from senior managers who have responsibility for the development and maintenance of the internal control framework; and by comments made by the National Audit Office in their Audit Completion Report and other reports. Comments and recommendations made by the Education Select Committee are also taken into account.

The Audit and Risk Assurance Committee advises on the implications of the internal audit reviews and monitors progress against the plan to tackle any identified weaknesses so that the system of internal control is continuously improved.

The Internal Audit reviews conducted during 2013-14 highlighted several areas where improvements could be made and I have taken steps to address their recommendations. Progress in implementing these recommendations is reported to

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8 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207064/public_sector_internal_audit_standards_december2012.pdf

the Chief Executive's Committee on a monthly basis and the Audit and Risk Assurance Committee reviews progress when it meets.

The Head of Internal Audit provides me with an annual, independent opinion on the adequacy and effectiveness of our governance, risk and control arrangements. The programme of work completed by Internal Audit in 2013-14 shows a continuing reduction in the number and seriousness of weaknesses compared with previous years.

Finding Rating	**Trend between current and prior year**	**Number of findings**			
		2013-14	2012-13	2011-12	2010-11
Critical	↔	0	0	0	0
High	↓	0	1	6	16
Medium	↓	4	9	16	17
Low	↓	5	17	11	14
Total	↓	9	27	33	47

Our Head of Internal Audit notes that:

"The reduction in the number of risk rated findings in comparison to 2012/13 can be attributed to:

> *in 2012/13 we completed 7 reviews which resulted in risk rated findings, compared to 3 reviews (plus a further 2 advisory reviews) in 2013/14;*
>
> *and in 2013/14 areas such as Payroll, HR and Finance showed improvements in the design and operating effectiveness of their key controls.*

We have completed the program of internal audit work for the year ended 31 March 2014. Our work identified medium and low risk rated findings. Based on the work we have completed, we believe that there is some risk that management's objectives may not be fully achieved. Improvements are required in those areas to enhance the adequacy and / or effectiveness of governance, risk management and control"

Where risks were identified management action was undertaken during the year to address the issues highlighted.

Assurance to the Accounting Officer

As well as the opinion provided to me by the Head of Internal Audit, I have required each director and appropriate head of service to review the controls that they have had in place to manage our governance, risk and control arrangements and to report by way of written assurance to me at the end of the financial year that these controls were effective. This supplements the regular reporting to the Chief Executive's

Committee on the stewardship of risk. Because of organisational changes that have taken place during the year, I also received part-year letters of assurance from directors and relevant heads of service.

These letters of assurance support the preparation of this Governance Statement. I identified no additional risks from these Letters of Assurance.

I have considered all the evidence that supports this Governance Statement and I am assured, as Accounting Officer, that Ofqual has strong governance, risk and internal control arrangements that support the delivery of our aims and objectives.

Glenys Stacey
Accounting Officer for Ofqual
Date: 27 June 2014

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Office of Qualifications and Examinations Regulation for the year ended 31 March 2014 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget

(Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2014 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2014 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse Date
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of parliamentary supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires Ofqual to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit.

Summary of resource and capital outturn for 2013-2014

This table shows the amounts approved in 2013-14 in accordance with Parliamentary Expenditure Limits.

	Note	Estimate 2013-14			Outturn 2013-14			2013-14	2012-13
	SOPS							Voted outturn compared with estimate:	
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	saving	Outturn
		£000	£000	£000	£000	£000	£000	£000	£000
Departmental expenditure limit									
- Resource	4	18,554	0	18,554	18,336	0	18,336	218	16,749
- Capital		100	0	100	87	0	87	13	11
Annually managed expenditure		0	0	0	0	0	0	0	0
Non-budget		0	0	0	0	0	0	0	0
Total		**18,654**	**0**	**18,654**	**18,423**	**0**	**18,423**	**231**	16,760

Ofqual requests resources to undertake its statutory duties as the regulator of qualifications, examinations and statutory assessments.

Departmental Expenditure Limits (DELs) cover all programme and administration costs.

Ofqual had no voted or non-voted Annually Managed Expenditure (AMEs).

	Note	2013-14			2012-13
	SOPS	Estimate	Outturn	Outturn compared with estimate: saving	Outturn
		£000	£000	£000	£000
Net cash requirement	4	**18,257**	**16,649**	**1,608**	**16,522**

Administration costs 2013-14

	2013-14		2012-13
	Estimate	***Outturn***	Outturn
	£000	***£000***	
Administration Costs	***15,134***	***14,996***	13,723

SOPS1.1 Accounting convention

The Statement of Parliamentary Supply and related notes are presented consistently with Treasury budget control and Supply Estimates. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Parliamentary Supply and related notes, have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Parliamentary authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality public services that offer value for money to the taxpayer.

The Government’s objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

• ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; and

• support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

SOPS1.2 Comparison with IFRS-based accounts

Many transactions are treated in the same way in National Accounts and IFRS-based accounts, but there are a number of differences as detailed below. A reconciliation of the department’s outturn as recorded in the SoPS compared to the IFRS-based SoCNE is provided in SoPS note 3.2

SOPS1.a Provisions - Administration and Programme expenditure

Provisions recognised in IFRS-based accounts are not recognised as expenditure for national accounts purposes until the actual payment of cash (or accrual liability) is recognised. To meet the requirements of both resource accounting and national accounts, additional data entries are made in the Statement of Parliamentary Supply across AME and DEL control totals, which do not affect the Statement of Comprehensive Net Expenditure. As the Administration control total is a sub-category of DEL, Administration and Programme expenditure reported in the Statement of Parliamentary Supply was differ from that reported in the IFRS-based accounts.

Explanations of variances between Estimate and outturn are given in SoPS Note 2 and in the text.

SOPS 2 Net Outturn

SOPS 2.1 Analysis of net resource outturn by section

	Staff costs comprise: Outturn							2013-14 Estimate		2012-13 Outturn
	Administration			**Programme**			**Total**	**Total**	**Total**	Net
Spending in Departmental Expenditure Limit	Gross	Income	Net	Gross	Income	Net	Net	Net	Net total outturn compared with estimate: saving	outturn
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	£000
Voted:	**15,448**	**(452)**	**14,996**	**3,340**	**0**	**3,340**	**18,336**	**18,554**	**218**	16,749

Spending in annually managed expenditure:

Ofqual has no annually managed expenditure in 2013-14 (2012-13: nil)

SOPS2.2 Analysis of net capital outturn by section

	2013-14					2012-13
	Outturn			**Estimate**		Outturn
Spending in Departmental Expenditure Limit	Gross	Income	Net	Net	Net total outturn compared with estimate: saving	Net Outturn
	£000	**£000**	**£000**	**£000**	**£000**	£000
Voted:	**87**	**0**	**87**	**100**	**13**	11

SOPS3. Reconciliation of Outturn to net operating cost and against Administration Budget

SOPS 3.1 Reconciliation of net resource outturn to net operating cost

	SOPS	**2013-14**	2012-13
		£000	£000
		Outturn	Outturn
Total resource outturn in Statement of Parliamentary Supply			
Budget	2.1	**18,336**	16,749
Non-Budget	2.1		
Net Operating Costs in Consolidated Statement of Comprehensive Net Expenditure		**18,336**	16,749

SOPS 3.2 Outturn against final Administration budget and Administration net operating cost

	SOPS	**2013-14**	2012-13
		£000	£000
Estimate - Administration costs limit		**15,134**	14,946
Outturn - Gross Administration costs	2.1	**15,448**	14,246
Outturn - Gross income relating to administration costs	2.1	**(452)**	(523)
Outturn - Net Administration costs		**14,996**	13,723
Administration net operating costs		**14,996**	13,723

SOPS4. Reconciliation of Net Resource Outturn to Net Cash Requirement

	SOPS	Estimate £000	Outturn £000	Net total outturn compared with Estimate £000
Resource Outturn	2.1	18,554	18,336	218
Capital Outturn	2.2	100	87	13
Accruals to cash adjustments:				
Adjustments to remove non-cash items:				
Depreciation		(947)	(862)	(85)
Other non-cash items		(50)	(46)	(4)
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		200	(72)	272
(Increase)/decrease in payables		400	(794)	1,194
Net cash requirement		**18,257**	**16,649**	**1,608**

Statement of comprehensive net expenditure

31 March 2014

'This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

		2013-14				2012-13
		Staff Costs	**Other Costs**	**Income**	**Total**	Total
		£000	**£000**	**£000**	**£000**	£000
Programme costs						
Staff costs	3	**728**	**0**	**0**	**728**	52
Direct costs	5	**0**	**2,612**	**0**	**2,612**	2,974
		728	**2,612**	**0**	**3,340**	3,026
Administration costs:						
Staff costs	3	**12,091**	**0**	**0**	**12,091**	10,915
Other costs	4	**0**	**3,357**	**0**	**3,357**	3,331
Income	6	**0**	**0**	**(452)**	**(452)**	(523)
		12,091	**3,357**	**(452)**	**14,996**	13,723
Net operating cost for the year ended 31 March 2014		**12,819**	**5,969**	**(452)**	**18,336**	16,749
Other comprehensive expenditure		**0**	**0**	**0**	**0**	0
Total comprehensive expenditure for the year ended 31 March 2014		**12,819**	**5,969**	**(452)**	**18,336**	16,749

The notes on pages 57 to 74 form part of these accounts

Statement of Financial Position as at 31 March 2014

	Note	31 March 2014 £000	31 March 2014 £000	31 March 2013 £000	31 March 2013 £000
Non-current assets					
Property, plant and equipment	7	114		178	
Intangible assets	8	1,541		2,250	
Total non-current assets			**1,655**		2,428
Current assets					
Trade and other receivables	13	456		530	
Cash and cash equivalents	12	1		2	
Total current assets			**457**		532
Total assets			**2,112**		2,960
Current liabilities					
Trade and other payables	14	(2,222)		(1,429)	
Total current liabilities			**(2,222)**		(1,429)
Non-current assets plus/less net current assets/liabilities			**(110)**		1,531
Total assets less liabilities			**(110)**		1,531
Financed by:					
Taxpayers' equity					
General fund			**(110)**		1,531
Total taxpayers' equity			**(110)**		1,531

Glenys Stacey
Accounting Officer for Ofqual
Date: 27 June 2014

The notes on pages 57 to 74 form part of these accounts

Statement of cash flows for year ended 31 March 2014

	Note	2013-14 £000	2012-13 £000
Cash flows from operating activities			
Net operating cost		**18,336**	16,749
Adjustment for non-cash transactions	4,5	**(908)**	(908)
Increase/(Decrease) in trade and other receivables		**(72)**	(303)
(Increase)/Decrease in trade payables		**(793)**	984
Movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		**(1)**	(10)
Net cash outflow from operating activities		**16,562**	16,511
Cash flows from Investing activities			
Purchase of intangible assets	8	**87**	11
Net cash outflow from investing activities		**87**	11
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		**16,648**	16,512
Net Financing		**16,648**	16,512
Net increase/(decrease) in cash and cash equivalents in the period before adjustments for receipts and payments to the Consolidated Fund		**(1)**	(10)
Payments of amounts due to the Consolidated Fund		**0**	0
Net increase/(decrease) in cash and cash equivalents in the period after adjustments for receipts and payments to the Consolidated Fund		**(1)**	(10)
Cash and cash equivalents at the beginning of the period	12	**2**	12
Cash and cash equivalents at the end of the period	12	**1**	2

The notes on pages 57 to 74 form part of these accounts

Statement of changes in taxpayers' equity for the year ended 31 March 2014

		General Fund	Total Reserves
		£000	**£000**
Balance at 31 March 2012		1,709	1,709
Net Parliamentary Funding – drawn down		16,512	16,512
Net Parliamentary Funding – deemed supply		12	12
Supply payable/(receivable) adjustment		(2)	(2)
Comprehensive Expenditure for the Year		(16,749)	(16,749)
Non-cash adjustments			
Non-cash charges - auditors remuneration	4	49	49
Balance at 31 March 2013		**1,531**	**1,531**
Net Parliamentary Funding – drawn down		16,648	16,648
Net Parliamentary Funding – deemed supply		2	2
Supply (payable)/receivable adjustment		(1)	(1)
Comprehensive Expenditure to 31 March 2014		(18,336)	(18,336)
Non-cash adjustments			
Non-cash charges – auditors remuneration	4	46	46
Balance at 31 March 2014		**(110)**	**(110)**

The notes on pages 57 to 74 form part of these accounts

Notes to the Accounts

1.1 Statement of accounting policies

These financial statements have been prepared in accordance with the 2013-14 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of Ofqual for the purpose of giving a true and fair view has been selected. The particular policies adopted by Ofqual are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires Ofqual to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting Notes 3 and 4 show outturn against Parliamentary Estimate in terms of the net resource requirement and the net cash requirement.

1.1 Accounting Convention

These financial statements have been prepared under the historical cost convention. Ofqual has a small asset base, and property, plant, equipment and intangible assets are held at depreciated historic cost as a proxy for current value, as permitted by the 2013-14 FReM. No revaluation adjustments have been made in these accounts.

1.2 Accounting Policies

1.2.1 Valuation of Non-Current Assets

Property, plant, equipment and purchased software licenses are capitalised if they are intended for use on a continuous basis for more than one year, and are held at depreciated historic cost. The threshold for capitalising non-current assets is £10,000 on an individual basis. Individual items are not grouped.

1.2.2 Depreciation and Amortisation

Depreciation and amortisation are provided on all non-current assets on a straight-line basis to write off cost (less any estimated residual value) evenly over the asset's anticipated useful life.

Asset lives are in the following ranges:

information technology (hardware) - three to five years purchased computer software - five years

1.2.3 Operating and Other Income

Operating and other income includes grant income received from the Department of Employment and Learning (Northern Ireland) for funding Ofqual’s Northern Ireland office and for charges levied by Ofqual on its directly provided services, on a full-cost basis. Operating income is stated net of VAT. Further detail is provided in Note 6.

For 2013-14 costs have been separated between Programme and Administration in accordance with the FReM 11.3.3. Programme costs are chiefly the costs associated with Ofqual's delivery of a Frontline Service and include certain staff and information systems costs. Administration costs are the costs incurred in running Ofqual.

1.2.5 Pensions

Past and present employees are covered by the provisions of the PCSPS. PCSPS defined benefit schemes are unfunded. Ofqual recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees’ services by payment to PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, Ofqual recognises the contributions payable for the year. Further pension details are contained in the Remuneration Report and Note 3.

1.2.6 Leases

All leases are accounted for in accordance with the International Accounting Standard (IAS) 17 Leases. Classification is made at the inception of the relevant lease.

Where, substantially, all risks and rewards of ownership of a leased asset are borne by Ofqual, the asset is recorded as property, plant and equipment, and a liability is recorded to the minimum lease payments discounted by the interest rate implicit in the lease.

Leases are regarded as operating leases, and the rentals are charged to the Statement of Comprehensive Net Expenditure over the term of the lease. Ofqual has one category of operating lease which relates to the payment of rent on our properties.

1.2.7 Financial Instruments

Ofqual does not have any complex financial instruments.

1.2.8 Value Added Tax

Most of Ofqual's activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are recorded net of VAT.

1.2.9 Contingent Liabilities and Contingent Assets

In addition to contingent liabilities disclosed in accordance with IAS 37, Ofqual discloses for Parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money and Government Accounting Northern Ireland.

Where the time value of money is material, contingent liabilities, which are required to be disclosed under IAS 37, are stated as discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.2.10 Financial Assets and Liabilities

Ofqual holds the following financial assets and liabilities:

1. Assets:
    - cash and cash equivalents
    - trade receivables – current
2. Liabilities:
    - trade and other payables – current

Financial liabilities are classified, where appropriate, as financial liabilities at fair value in the financial statements or as financial liabilities measured at amortised cost (face valueless any discounts). Financial liabilities include trade and other payables, accruals and derivative financial instruments. Ofqual does not currently have derivative financial instruments or financial liabilities that need to be classified at fair value in the financial statements.

Financial assets and liabilities are accounted for under IAS32

1.3 Impending Application of Newly Issued Accounting Standards Not Yet Effective

Ofqual has considered, in accordance with IAS 8, whether there have been any changes to accounting policies (either voluntary or arising from IFRS and/or the FReM) that are impacting on the current period, have had an impact on a prior period, or may have an effect on future periods.

Ofqual has considered the accounting standards in issue but not yet effective at the reporting date. At this time Ofqual does not anticipate applying any of these new accounting standards.

2. Statement of Operating Costs by Operating Segment

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of an organisation that are regularly reviewed by the Chief Operating Decision Maker (i.e. the Chief Executive in Ofqual's case) in order to allocate resources to the segments and to assess their performance.

The following table presents gross expenditure, income, depreciation and net expenditure regarding Ofqual's operating segments - Regulation, Standards and other Directorates - based on management information produced in accordance with IFRS 8.

2013-14

	Reform	Regulatory Operation	Research & Evaluation	Strategic Comms & Engagement	Policy	Regulation	Standards	CBS	**Total**
	£000	£000	£000	£000	£000	£000	£000	£000	**£000**
Gross Expenditure	2,164	3,683	3,116	1,010	352	191	180	7,230	**17,926**
Income	0	(331)	0	0	(1)	0	0	(120)	**(452)**
Depreciation	0	0	0	0	0	0	0	862	**862**
Net Expenditure	**2,164**	**3,352**	**3,116**	**1,010**	**351**	**191**	**180**	**7972**	**18,336**

2012-13

	Reform	Regulatory Operations	Research & Evaluation	Strategic Comms & Engagement	Policy	CBS	**Total**
	£000	£000	£000	£000	£000	£000	**£000**
Gross Expenditure	1,860	3,625	3,213	828	380	6,507	**16,413**
Income	(6)	(399)	(60)	0	0	(58)	**(523)**
Depreciation	0	0	0	0	0	859	**859**
Net Expenditure	**1,854**	**3,226**	**3,153**	**828**	**380**	**7,308**	**16,749**

Regulation includes the development and delivery of our regulatory approach. It includes our work on Vocational Qualifications in Northern Ireland. Standards include our work relating to qualification and assessment standards. Other Directorates expenditure includes activities which contribute to both standards and regulatory activity but which are accounted for separately to better control and manage costs. These together with IT costs and the costs of accommodation constitute the majority of Other Directorates expenditure.

3. Staff numbers and related costs

3.1 Staff costs comprise:

	2013-14			2012-13
			Others	Total
		Permanent staff		
	£000	£000	£000	£000
Wages and salaries	**10,658**	**8,106**	**2,552**	9,151
Social security costs	**689**	**689**	**0**	570
Pension costs	**1,472**	**1,472**	**0**	1,246
Total net costs	**12,819**	**10,267**	**2,552**	10,967

of Which:	**Charged to Administration budgets**	**Charged to Programme budgets**	**Charged to capital budgets**	**2013-14 Total**
	12,091	728	0	12,819
Total	**12,091**	**728**	**0**	12,819

3.2 Average number of staff employed

The following table shows the average number of whole-time equivalent (WTE) persons employed during the year.

	2013-14			2012-13
	Total		Others	Total
		Permanent staff		
	WTE	WTE	WTE	WTE
Resource activities	206.8	181.1	25.7	174.8
Capital projects	0.0	0.0	0.0	0.0
Total	**206.8**	**181.1**	**25.7**	174.8

3.3 Pension Costs

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which Ofqual is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31

March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2013-14, employers' contributions of £ 1.442M were payable to the PCSPS (2012-13 £1.215M) at one of four rates in the range 16.7 per cent to 24.3 per cent of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £29,440 (2012-13 £31,302) were paid to three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 per cent to 12.5 per cent of pensionable pay. In addition, employer contributions of 0.8 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £3,195.Contributions prepaid at that date were £nil. There were no ill health retirements during the year funded by Ofqual.

3.4 Reporting of Civil Service and other compensation schemes – exit packages

		2013-14			2012-13	
Exit package cost band	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0	0	4	4
£10,000 - £25,000	0	0	0	0	9	9
£25,000 - £50,000	0	0	0	0	2	2
£50,000 - £75,000	0	0	0	0	1	1
Total number of exit packages by type	0	0	0	0	16	16
Total resource cost - £000	**0**	**0**	**0**	0	347	347

Departure costs were paid in accordance with paragraph 5(3) of Schedule 9 of the ASCL Act 2009 and in accordance with contractual arrangements. Exit costs are accounted for in full in the year of departure.

4. Other Administration Costs

	2013-14 Core Department £000	2012-13 Core Department £000
Non-cash items		
Depreciation	**0**	0
Amortisation	**0**	0
Auditors remuneration and expenses	**46**	49
	46	49
Other expenditure		
Direct operational expenditure	**1,279**	1,171
Rent and accommodation	**1,052**	1,229
IT	**560**	252
Recruitment, training and staff related	**314**	525
Finance and governance	**106**	106
	3,311	3,282
Total	**3,357**	3,331

5. Programme Costs

	2013-14 Core Department £000	2012-13 Core Department £000
Non-cash items		
Depreciation	**65**	65
Amortisation	**797**	794
External audit fees	**0**	0
	862	859
Other expenditure		
Direct operational expenditure	**1,247**	1,757
Rent and accommodation	**0**	0
IT	**503**	358
Recruitment, training and staff related	**0**	0
Finance and governance	**0**	0
	1,750	2,115
Income	**0**	0
Total	**2,612**	2,974

6. Income

	2013-14	2012-13
	£000	£000
Department for Employment & Learning (Northern Ireland)	**332**	384
Department for Children, Education, Lifelong Learning, & Skills (Wales)	**39**	38
Council for Curriculum, Examinations, & Assessment	**80**	102
Other income	**1**	0
Total	**452**	523

7. Property, plant and equipment

2013-14

	Information Technology	Assets under construction	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2013	502	0	502
Additions	0	0	0
At 31 March 2014	**502**	**0**	**502**
Depreciation			
At 1 April 2013	324	0	324
Charged in year	65	0	65
At 31 March 2014	**388**	**0**	**388**
Carrying amount at 31 March 2014	**114**	**0**	**114**
Carrying amount at 1 April 2013	178	0	178
Asset financing			
Owned	**114**	**0**	**114**
Carrying amount at 31 March 2014	**114**	**0**	**114**

2012-13

	Information technology	Assets under construction	Total
	£000	£000	£000
Cost or valuation			
At 31 March 2013	502	0	502
Depreciation			
At 1 April 2012	259	0	259
Charged in year	65	0	65
At 31 March 2013	324	0	324
Carrying amount at 31 March 2013	178	0	178
Carrying amount at 1 April 2012	243	0	243
Asset financing			
Owned	178	0	178
Carrying amount at 31 March 2013	**178**	**0**	**178**

8. Intangible assets

2013-14

	Software	Assets under construction	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2013	4,099	0	4,099
Additions	87	0	87
At 31 March 2014	**4,186**	**0**	**4,186**
Amortisation			
At 1 April 2013	1,848	0	1,848
Charged in year	797	0	797
At 31 March 2014	**2,645**	**0**	**2,645**
Carrying amount at 31 March 2014	**1,541**	**0**	**1,541**
Carrying amount at 1 April 2013	**2,251**	0	**2,251**
Asset financing			
Owned	**1,541**	**0**	**1,541**
Carrying amount at 31 March 2014	**1,541**	**0**	**1,541**

2012-13

	Software	Assets under construction	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2012	4,068	20	4,088
Transfers from AUC	20	(20)	0
Additions	11	0	11
At 31 March 2013	4,099	0	4,099
Amortisation			
At 1 April 2012	1,054	0	1,054
Charged in year	794	0	794
At 31 March 2013	1,848	0	1,848
Carrying amount at 31 March 2013	2,251	0	2,251
Carrying amount at 1 April 2012	3,014	20	3,034
Asset financing			
Owned	2,251	0	2,251
Carrying amount at 31 March 2013	**2,251**	**0**	**2,251**

9.Capital and other commitments

9.1 Commitments under leases

The total future minimum operating lease payments are given in the table below for each of the following periods:

	2013-14	2012-13
	£000	£000
Buildings		
Not later than one year	**417**	417
Later than one year and not later than five years	**1,192**	1,609
Later than five years	**0**	0
	1,609	2,026
Other		
Not later than one year	**5**	5
Later than one year and not later than five years	**0**	5
Later than five years	**0**	0
Net Cash Requirement	**5**	10

The building operating leases relate to Ofqual's offices in Coventry and Belfast.

10. Financial instruments

As Ofqual's cash requirements are met through the Estimates process, Ofqual is exposed to little credit, liquidity or market risk and financial instruments do not have the role in creating and managing risk that they would for a non public sector organisation of similar size.

10.1 Investments in other public sector bodies

Ofqual has no investments in other public sector bodies

11. Impairments

There were no impairments in 2013-14 (2012-13 £nil).

12. Cash and cash equivalents

	2013-14	2012-13
	£000	£000
Balance at 1 April 2013	**2**	12
Net changes in cash and cash equivalent balances	**(1)**	(10)
Balance at 31 March 2014	**1**	2
The following balances were held at:		
Government Banking Services	**1**	2
Balance at 31 March 2014	**1**	2

	2013-14	2012-13
	£000	£000
Net cash requirement	**(16,649)**	(16,522)
From the Consolidated Fund (Supply) – 31 March 2014	**16,648**	16,512
Increase/(decrease) in cash	**(1)**	(10)

13. Trade Receivables and Other Current Assets

	2013-14	2012-13
	£000	£000
Amounts falling due within one year		
Trade receivables	**22**	95
Other receivables	**8**	0
Prepayments and accrued income	**248**	229
VAT	**178**	206
Bad debt provision	**0**	0
	456	530

13.1 Intra-government Balances

	Amounts falling due within one year	
	2013-14	2012-13
	£000	£000
Balances with other central government bodies	**182**	289
Balance with local authorities	**14**	13
Balances with bodies external to government	**260**	228
Total receivables at 31 March 2014	**456**	530

14. Trade payables and other current liabilities

	2013-14	2012-13
	£000	£000
Amounts falling due within one year		
Other taxation and social security	**213**	200
Trade payables	**383**	84
Other payables	**185**	238
Accruals and deferred income	**1,440**	905
Amounts issued from the Consolidated Fund supply unspent at year end	**1**	2
Total at 31 March 2014	**2,222**	1,429

14.1 Intra-government Balances

	Amounts falling due within one year	
	2013-14	2012-13
	£000	£000
Balances with other central government bodies	383	358
Balances with bodies external to government	1,839	1,071
Total at 31 March 2014	2,222	1,429

15. Provisions for liabilities and charges

Ofqual had no liabilities that required a provision in 2013-14 (2012-13 £nil)

16. Contingent Liabilities

Ofqual has not entered into unquantifiable contingent liabilities by offering guarantees or indemnities or by giving letters of comfort.

Ofqual is part-way through an employment tribunal case which although we are confident of winning may result in a small payment during 2014-15

17. Losses and special payments

During 2013-14 Ofqual made no special payment that required reporting (2012-13: nil).

18. Related-party transactions

18.1 Other government transactions

Ofqual had the following payment transactions with other government departments and other central government bodies and organisations during the year:

	£000
Land and Property Services	2
GovNet Communications	4
Home Office	4
Office for National Statistics	4
National School of Government	0
Others	0
Total	**14**

	£000
Department for Children, Education, Lifelong Learning, & Skills (Wales)	39
Council for Curriculum, Examinations and Assessment (Northern Ireland)	80
Department for Employment and Learning (Northern Ireland)	331
Total	**450**

19 Board members' directorships

Board members' directorships and other significant interests, including non-executive positions, during the year ended 31 March 2014 are given below:

None of the Board members, key managerial staff or other related parties has undertaken any material transactions with Ofqual during the year.

Name	Board directorships and other significant interests during 2013-14
Tim Balcon	Director, Ashby Interim Management Chief Executive, Institute of Environmental Management and Assessment (IEMA) Director Sustainability Training Solutions
Dana Ross-Wawrzynski	Director and CEO, Bright Future Educational Trust
Ray Coughlin	No board directorships or other significant interests
Philip Fletcher	Member of Archbishops' Council for the Church of England Chair of the Mission and Public Affairs Council of the Church of England Member of the Advisory Council of the European Policy Forum
Maggie Galliers	Chair, National Institute of Adult Continuing Education (NIACE) Board Member, the Higher Education Funding Council for England (HEFCE) Teaching, Quality and the Student Experience Committee President, Association of Colleges (to 31 July 2013) Chair, City College Coventry
Anne Heal	Managing Director, Strategy and Propositions, Openreach, part of BT Director / Charity Trustee, Unicorn School, Kew MD, BT Volunteering

Name	Board directorships and other significant interests during 2013-14
Mike Cresswell	Associate, Alphaplus Temporary part time employee Scottish Qualifications Authority (SQA)
Barnaby Lenon	Chairman, Independent Schools Council Director, Lenon Education Ltd. Governor, Chelsea Academy Director, New Schools Network Governor, London Academy of Excellence Consultant, GEMS Ltd (Dubai)
Amanda Spielman	Council Member, Institute of Education Education Advisor, Absolute Return for Kids, ARK Member, ARK Schools Audit and Risk Committee
Glenys Stacey	No board directorships or other significant interests
Roger Taylor	Director of Research and Public Affairs, Dr Foster Ltd Trustee, the Open Public Services Network at RSA Trustee Co-ordinated Action Against Domestic Abuse
Thomas Taylor	Chief Executive, the Agriculture and Horticultural Development Board Director, Homegrown Cereals Pension Scheme Member Policy Issues Council, Institute of Grocery Development Member, Critical Eye Advisory Board Member, Allocate Software Healthcare Advisory Board Non Executive Director, Meat and Livestock Commercial Service Ltd Director, Meat and Livestock Commission Pension Scheme
Neil Watts	Public Commissioner, Press Complaints Commission Trustee, Spina Bifida Hydrocephalus, Information, Networking, Equality (SHINE) Governor, Great Finborough Primary School Board member, Architects Registration Board

Name	Board directorships and other significant interests during 2013-14
Julius Weinberg	Vice Chancellor, Kingston University Board member, London Higher Board member, St George's, University of London Governor, Latymer Upper School, Hammersmith Member of the Health Education South London Board (from 18 December 2013

20. Third-party assets

Ofqual holds no third-party assets.

21. Entities within the department boundary

Ofqual is the only body within its department boundary.

22. Events after the reporting period

The Annual Report and Financial statements were authorised for issue on the date of certification by the Comptroller and Auditor General. There have been no events after the reporting period requiring an adjustment to the financial statements.

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